

INFORMATION REPORT CD NO.

INTELLOFAX 7

COUNTRY Germany (Russian Zone)  
SUBJECT Crude Oil Imports to the DDR in 1951

DATE DISTR 16 April 1952

NO OF PAGES 2

PLACE  
ACQUIRED

25X1

NO OF ENCLS 1  
(LISTED BELOW)

DATE OF  
INFO.

25X1

SUPPLEMENT TO  
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE  
OF THE UNITED STATES. WITHIN THE MEANING OF TITLE 18, SECTIONS 793  
AND 794, OF THE U. S. CODE, AS AMENDED, ITS TRANSMISSION OR REVEL-  
ATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON  
IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

25X1

25X1

1951 crude oil imports of  
the Soviet Zone of Germany. The note is dated 14 December 1951. \*

25X1

\* The 120,000 tons of crude oil, later increased to 140,000 tons, which were imported from the U.S.S.R. into the Soviet Zone of Germany in 1951 under the Trade Agreement of 31 March 1951, as indicated in the first paragraph of the Annex, were all delivered to the VEB Mineral Oil Refineries (VEB Mineraloelwerke) in Luetzkendorf-Krumpa (M 52/D 30) to be processed into oil products. The Luetzkendorf plant has a capacity of 140,000 tons per year. The crude oil shipments from Zistersdorf (P 42/S 63) to Luetzkendorf-Krumpa have been known since 1947 and have been repeatedly reported. In addition to the 140,000 tons of crude oil, 120,000 tons of masut were imported into the Soviet Zone of Germany within the last three months of 1951 under the contract concluded between the Soviet Soyusnefteexport company and the DIA Chemie on 25 September 1951. Masut is a crude oil product from which gasoline, Diesel oil, and kerosene have already been extracted and which can be processed in hydrogenation plants. The importation of an additional 120,000 tons of masut from Austria was probably necessary because the production of brown coal tar in the Soviet Zone of Germany was inadequate during 1951. Brown coal tar is used to some extent in the coal hydrogenation process. According to a statement of Krutko, who is the deputy manager of all SAG plants in the Central Administration in Berlin-Weissensee, the imports of masut were required because the 1951 production target for fuel from coal hydrogenation would not otherwise have been reached. Therefore, the SAG management was apparently forced to make arrangements with the German authorities for these imports, as about 97 percent of the entire fuel production of the Soviet Zone comes from the SAG hydrogenation plants and the SAG low temperature distillation plants. The SAG management would have been blamed for the non-fulfillment of the production plan. The masut was shipped to the Leuna (M 52/D 21) plant which mainly uses a brown coal tar base in its processing method, and to the Lopenhain (M 52/K 29) plant which processes brown coal tar into gasoline and Diesel fuel in its cracking installation. A considerable improvement in the quality of the fuel can also be obtained by using masut in the hydrogenation and cracking process. The oil shipments in the last quarter of 1951 probably did not lead to any sudden and unusual stockpiling of fuel in the Soviet Zone of Germany. It is a known fact that strenuous efforts are

CLASSIFICATION		SECRET/CONTROL		U.S. OFFICIALS ONLY	
STATE	#X	NAVY	X	NSRB	
ARMY	#X	AIR	X	FBI	
CONFIDENTIAL				Document No.	5
				No Change in Class.	
				Revised Class.	
				Class. Control Ver.	10 3 52
				Auth.	11-9-78
				Date	11-9-78

Approved For Release 2006/04/20 : CIA-RDP82-00457R011200120005-3

25X1

SECRET/CONTROL/US OFFICIALS ONLY

25X1

- 2 -

nearly always required during the last quarter of each year in order to reach the yearly production quota, since the quotas set for the earlier quarters cannot always be fulfilled. In 1950, the gasoline production was about 454,000 tons, and the Diesel fuel production was about 400,000 tons. The gasoline quota for 1951 in the Soviet Zone of Germany was 658,000 tons and the Diesel fuel quota was 432,000 tons. This would mean that an additional 236,000 tons of fuel had to be produced to reach the 1951 production target. Under the Five-Year Plan 927,000 tons of gasoline and 650,000 tons of Diesel fuel are scheduled to be produced in the hydrogenation and low temperature carbonization plants of the Soviet Zone of Germany in 1955.

SECRET/CONTROL/US OFFICIALS ONLY

~~CONFIDENTIAL~~  
SECRETARY'S OFFICIALS ONLY

25X1

Annex

- 1 -

14 December 1951

Memorandum for the File

SUBJECT: Crude Oil Imports.

A total of 120,000 tons of crude oil were scheduled to be imported in 1951. The trade agreement with the U.S.S.R. in 1951 listed 140,000 tons which were actually contracted on 31 March 1951. The shipments of this crude oil were distributed over the months and arrived on schedule. There was no failure of any kind in deliveries.

On 12 March 1951, Krutko, the deputy manager of the Administration of Soviet Property in Germany, informed State Secretary Santer-Gillman and the State Secretary Kerber\*\* that the SAG plants will require 100,000 tons of masut for the production of fuel. He also contacted the Department for Material Supply to obtain approval from the Planning Commission to import this amount, in addition to the quota scheduled under the import plan. In reply to our repeated requests to the State Secretariat for Material Supply we were informed in April that only 85,000 tons of masut could be supplied to the SAG plants. State Secretary Kerber stated in his letter of 2 May 1951 that, according to a decree of the State Planning Commission on 27 April 1951, an additional amount of 85,000 tons of masut could be imported in order to fulfill the production plan of the SAG plants. The HA Handelspolitik (Main Department for Trade Policy) was then requested to enter into negotiations with the U.S.S.R. to arrange a contract between the DIA and the Soviet supplying firm. On 21 June 1951, the Trade Representation of the U.S.S.R. in the German Democratic Republic informed the Ministry that the Soviet Export Firm Soyusnefteexport was not in a position to supply 85,000 tons of masut in 1951. We were told that we could make a direct request to the Soviet People's Administration in Austria for the required 85,000 tons of masut. There was no reply to the request of the DIA. It was not until July that the Soyusnefteexport offered 120,000 tons of crude oil, in the previously agreed quality, to the DIA-Chemie and at that time sent a contract supplement for this deal. It was not possible to obtain approval from the Department for Material Supply, as the respective requests of the Main Administration of Soviet Property in Weissensee were not submitted to the Department for Material Supply. It was not until 4 September 1951, that the Administration of Soviet Property in Germany informed the State Secretariat for Material Supply by letter, that only 63,000 tons of paraffin and asphalt base crude oil were required by the Louna and Seelen plants. The same information was sent to the DIA. On 11 September, the State Secretariat for Material Supply informed the Ministry of Foreign and Domestic German Trade that 63,000 tons, instead of the previously approved 85,000 tons were to be recorded.

State Secretary Kerber informed State Secretary Gregor\*\*\* in a letter of 22 September that, contrary to the letter of 4 September, an additional amount of 120,000 tons, rather than 63,000 tons, would have to be imported for the SAG plants to fulfill the quota for 1951. The contract with the Soyusnefteexport was then signed by the DIA-Chemie on 25 September 1951. The shipping schedule was arranged in cooperation with the Tank Car Control Point of the Directorate General, Railroads, because the transportation of the additional 120,000 tons within the short period of only three months would require special measures in allocating tank cars, locating storage facilities in the plants, and planning of shipping schedules. Arrangements were made without delay. The Tank Car Control Point doubted that it would be able to allocate the required number of tank cars, because at that time tank cars had to be allocated for other important projects as shown in the annexed report of the Tank Car Control Point. Therefore, the plants were requested to take over the lease payments for tank cars which had to be leased. The DIA was unable to settle this problem quickly, despite repeated requests made to the Louna and Seelen plants and also to the Main Administration of Soviet Property. However, the Tank Car Control Point allocated

SECRETARY'S OFFICIALS ONLY

~~CONFIDENTIAL~~

SECRET/CONTROL/US OFFICIALS ONLY

25X1

Annex

- 2 -

the increased number of tank cars. In a meeting, held at the Tank Car Control Point on 3 October, which was attended by all the agencies concerned, the measures necessary to guarantee shipments on the agreed terms were again discussed.

A representative of the Leuna Plant was sent to Austria to assist the DIA representative in Vienna. Another representative was stationed in Red Schandau. He was assigned to route the incoming crude oil trains according to instructions from the Leuna plant. New train schedules for the crude oil shipments, which guaranteed prompt transportation, were established by the Directorate General, Railroads, in cooperation with the Tank Car Control Point.

Another meeting was held between representatives of the Tank Car Control Point, the Directorate General, Railroads, the Ministry, and the DIA. It was again stated that the necessary measures must be carried out immediately.

Three days later, the representatives of the Main Administration of Soviet Property, of the Trade Agency of the U.S.S.R. in the German Democratic Republic, of all participating consumer plants, of the Ministry, and of the DIA, met again with the Tank Car Control Point to discuss the final measures.

These measures secured the shipment of the rest of the crude oil. The responsibility for emptying the tank cars at the respective plants rested with the consumer plants. These plants had promised to accept the incoming crude oil shipments without delay and to return the tank cars immediately to Vienna. For instance, it was agreed that the Leuna plant would process 500 tons daily and take about 500 tons every three days, and that the Espenhain Plant would take 1,000 tons daily. However, the Leuna Plant actually refused, and still refuses, any shipments exceeding 500 tons daily and re forwards such shipments to the Espenhain Plant. Thus, the Espenhain Plant receives about 1,500 tons of crude oil daily, of which only 600 to 700 tons can be accepted. As a result sometimes as many as 200 tank cars were tied up at the Espenhain Plant for several days and could not be used for the next shuttle shipment because of this delay. The Tank Car Control Point also ascertained that 110 tank cars allocated for this oil shipping project were diverted to other uses by the Espenhain Plant.

Although this action jeopardized the shipping schedule, the Tank Car Control Point allocated another 100 tank cars which may help to complete the shipment of all but about 20,000 tons of the crude oil by late December, if the plants will arrange for a speedier turnover of tank cars.

In order to obtain the remaining 20,000 tons, the DIA proposed to the Main Administration of Soviet Property that this amount be taken from the Soviet Naphtha Administration and stored in Vienna for the account of the DIA. The final acceptance of this shipment would be accomplished in January 1952. The approval of the Administration of Soviet Property in Weissensee is still pending. For this reason we cannot make an application to another Soviet agency.

- 25X1 \*   **Comment:** Hans-Paul Ganter-Gilmans of the Ministry of Foreign Trade and Internal German Trade.
- 25X1 \*\*   **Comment:** Erwin Kerber, State Secretary for Material Procurement in the State Planning Commission.
- 25X1 \*\*\*   **Comment:** State Secretary and Deputy to the Minister Kurt Gregor of the Ministry of Foreign Trade and Internal German Trade.

SECRET/CONTROL/US OFFICIALS ONLY